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Mr. Hornsby

Mr. Walsh

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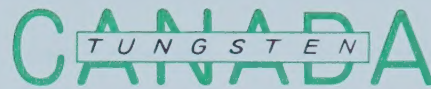
annual  
report  
1972

# Canada Tungsten Mining Corporation Ltd.





THE ANNUAL MEETING of the Shareholders of Canada Tungsten Mining Corporation Limited will be held on Friday, April 27, at 11:00 o'clock in the forenoon in the York Room, Royal York Hotel, Toronto, Ontario.



## MINING CORPORATION LIMITED

### *Executive Office*

Suite 505 - 67 Richmond St. W., Toronto, Ont.

### *Branch Office*

80 Niobe Street, North Vancouver, B.C.

### *Officers*

FRED E. HALL, *President*

J. B. REDPATH, *Vice-President*

E. H. HODDINOTT, *General Manager*

R. G. HORNCastle, *Secretary-Treasurer*

### *Directors*

SENATOR JOHN B. AIRD, Toronto

J. M. RICHARD CORBET, Toronto

FRED E. HALL, Toronto

DR. E. B. GILLANDERS, Vancouver

PIERRE GOUSSELAND, New York

J. B. REDPATH, Toronto

H. A. SAWYER, JR., New York

### *Transfer Agents and Registrars*

CANADA PERMANENT TRUST COMPANY  
1901 Yonge Street, Toronto, Ont.

### *Bankers*

CANADIAN IMPERIAL BANK OF COMMERCE  
Toronto and Vancouver

### *Auditors*

DELOITTE, HASKINS & SELLS  
Royal Trust Tower, Toronto, Ont.



### *Directors' Report to the Shareholders:*

Your Directors present herewith the Annual Report of your Company, together with the General Manager's Report and audited Financial Statements for the year ended December 31, 1972.

The Company incurred a net loss of \$121,808 from its 1972 operations against a net profit of \$934,498 for 1971. This loss was after writing off to exploration expenses the amount of \$312,000 spent on diamond drilling the recently discovered "E" Zone in the vicinity of the mine.

The number of units of product sold in 1972 was below 1971 with a reduction in average selling price. Prices continued to slide during most of the year with some improvement late in the year. Demand has improved since the last quarter of 1972, with sales to previous customers in Japan, Europe and the United States having been negotiated for 1973.

Interim dividends Nos. 4 and 5, equal to a total of 10¢ per share (\$499,000), were paid during the year. It is unlikely that any dividends will be paid during 1973 as it is considered advisable to conserve working capital in view of possible capital expenditures for underground development of the "E" Zone and modifications to the operations for year-round mining.

Copper was again stockpiled during the year and it is planned to continue this program

in 1973 in anticipation of an increase in price. Prices available during 1972 did not justify shipment. The year-end stocks totalled 467,000 lbs. of copper in concentrate.

Production in 1972 amounted to 158,706 S.T.U.'s of  $WO_3$ , slightly below 1971 production of 164,420 S.T.U.'s. Mill recovery for the year improved although an increased ratio of chert to skarn type ore, particularly during the latter part of the year, caused metallurgical problems and limited capacity.

The skarn type ore reserves in place at December 31, 1972 amounted to an estimated 240,000 tons at a calculated grade of 1.65%  $WO_3$ . Mining grade will be lower due to inclusion of lower grade chert type material. No ore was mined last year from the approximately 3,500,000 tons of chert material estimated to contain 0.65%  $WO_3$  per ton, outlined in the 1971 drilling program. Consideration will be given, when the results of the underground



View of Adit Portal



development program are known, to switching future mining to underground as an alternative to mining the lower grade chert from the pit.

A deep drilling program was completed during the 1972 season over the "E" Zone. The following Table briefly summarizes the "E" Zone intersections of 1971 and 1972:

<u>Hole No.</u>	<u>Value Intersected</u>
71-18	100 ft. at 0.74% WO <sub>3</sub> (includes higher grade hanging and footwall sections of 1.03% WO <sub>3</sub> across 22 ft. and 1.03% WO <sub>3</sub> across 39 ft., respectively, with lower grade section between)
71-20	82.5 ft. at 1.56% WO <sub>3</sub>
71-22	15 ft. at 1.12% WO <sub>3</sub>
71-7	66 ft. at 1.20% WO <sub>3</sub>
72-3	34 ft. at 3.34% WO <sub>3</sub>
72-4	15 ft. at 1.15% WO <sub>3</sub> (or 29 ft. at 0.84% WO <sub>3</sub> )
72-6	11 ft. at 1.10% WO <sub>3</sub> (or 8 ft. at 1.30% WO <sub>3</sub> )
72-7	20 ft. at 1.12% WO <sub>3</sub>
72-8	12 ft. at 1.12% WO <sub>3</sub>
72-10	50 ft. at 0.67% WO <sub>3</sub> (includes 16 ft. at 0.93% WO <sub>3</sub> )
72-11	15 ft. at 1.11% WO <sub>3</sub>

Apparently the zone is still open to the east and west. These results were sufficiently encouraging that your Board of Directors granted a contract to Canadian Mine Services to drive an adit, 14 x 16 feet, for a total estimated length of 4,000 feet. Drilling stations will be cut from this adit to determine the extent and configuration of the ore zone by underground diamond drilling. Following the completion

of this work, an evaluation will be made of the feasibility of underground mining.

The work on the large claim group staked in 1971 in southeastern British Columbia has outlined an area on which it is proposed to carry out geophysical work.

A number of other properties were examined, your Company's exploration efforts, however, being concentrated on the claim group in British Columbia and the drilling program in the Flat River Valley.

Your Directors acknowledge the loyal and dedicated services of your General Manager, E. H. Hoddinott, and your Mine Manager, J. K. Kervin, and their staff, during the past year.

On behalf of the Board,

FRED E. HALL,  
President.

Toronto, Ontario,  
March 9, 1973.

### ASSETS

CURRENT ASSETS:	1972	1971
Cash .....	\$ 67,004	\$ 71,974
Short-term notes .....	1,447,546	1,900,000
Accounts receivable .....	1,017,738	1,589,424
Income taxes and N.W.T. mining royalty recoverable ..	142,319	36,802
Inventory of concentrates — valued at the lower of cost or net realizable value .....	1,858,308	774,047
Inventory of ore in stockpile — at cost .....	559,875	455,262
Total current assets .....	<u>5,092,790</u>	<u>4,827,509</u>
 FIXED ASSETS:		
Buildings, plant and equipment — at cost .....	6,892,542	6,756,349
Less accumulated depreciation (Note 1) .....	<u>4,782,570</u>	<u>3,892,690</u>
	2,109,972	2,863,659
Mining property — at cost .....	125,000	125,000
Net fixed assets .....	<u>2,234,972</u>	<u>2,988,659</u>
 OTHER ASSETS:		
Inventory of supplies — at cost .....	414,487	420,004
Development and pre-production expenses — at cost less amounts written off (Note 1) .....	<u>1,337,264</u>	<u>1,487,686</u>
Total other assets .....	<u>1,751,751</u>	<u>1,907,690</u>
TOTAL .....	<u>\$9,079,513</u>	<u>\$9,723,858</u>

The accompanying notes are an integral part of the financial statements.



December 31, 1972

or comparison)

## LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:	1972	1971
Accounts payable and accrued charges .....	\$ 386,832	\$ 335,369
DEFERRED INCOME TAXES .....	397,000	472,000
SHAREHOLDERS' EQUITY:		
Capital stock:		
Authorized:		
5,000,000 shares of a par value of \$1 each		
Issued and fully paid:		
4,990,000 shares .....	4,990,000	4,990,000
Less discount .....	1,372,851	1,372,851
	3,617,149	3,617,149
Retained earnings .....	4,678,532	5,299,340
Total shareholders' equity .....	8,295,681	8,916,489
Approved by the Board:		
FRED E. HALL, Director.		
J. B. REDPATH, Director.		
TOTAL .....	\$9,079,513	\$9,723,858

## AUDITORS' REPORT

To the Shareholders of  
Canada Tungsten Mining Corporation Limited:

We have examined the balance sheet of Canada Tungsten Mining Corporation Limited as at December 31, 1972 and the statements of loss and retained earnings and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at December 31, 1972 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

February 28, 1973,  
Toronto, Ontario.

DELOITTE, HASKINS & SELLS,  
Chartered Accountants.

**STATEMENT OF LOSS AND RETAINED EARNINGS**

**For the Year Ended December 31, 1972**

(with 1971 figures for comparison)

	1972	1971
INCOME FROM OPERATIONS BEFORE THE UNDERNOTED (Note 3) .....	\$1,351,452	\$2,972,399
INTEREST ON SHORT-TERM NOTES .....	116,963	130,174
	<u>1,468,415</u>	<u>3,102,573</u>
OTHER COSTS AND EXPENSES:		
Depreciation (Note 1) .....	889,879	826,407
Amortization of development and pre-production expenses (Note 1) .....	317,611	355,035
Exploration expenses .....	417,223	466,575
N.W.T. mining royalty .....	4,044	34,153
Loss (gain) on disposal of fixed assets .....	466	(7,095)
	<u>1,629,223</u>	<u>1,675,075</u>
INCOME (LOSS) BEFORE INCOME TAXES .....	<u>(160,808)</u>	<u>1,427,498</u>
PROVISION FOR (RECOVERY OF) INCOME TAXES:		
Current .....	36,000	508,000
Deferred .....	(75,000)	(15,000)
	<u>(39,000)</u>	<u>493,000</u>
NET INCOME (LOSS) FOR THE YEAR .....	(121,808)	934,498
RETAINED EARNINGS AT BEGINNING OF THE YEAR .....	5,299,340	5,612,342
	5,177,532	6,546,840
DIVIDENDS PAID .....	499,000	1,247,500
RETAINED EARNINGS AT END OF THE YEAR .....	<u>\$4,678,532</u>	<u>\$5,299,340</u>
NET INCOME (LOSS) PER SHARE .....	<u>(2.4)¢</u>	<u>18.7¢</u>

The accompanying notes are an integral part of the financial statements.



**STATEMENT OF SOURCE AND APPLICATION OF FUNDS**

**For the Year Ended December 31, 1972**

(with 1971 figures for comparison)

FUNDS PROVIDED:	1972	1971
Net income (loss) for the year .....	\$ (121,808)	\$ 934,498
Items not involving funds:		
Depreciation .....	889,879	826,407
Amortization of development and pre-production expenses .....	317,611	355,035
Deferred income taxes .....	(75,000)	(15,000)
Supplies .....	5,518	13,178
Deferred income .....	—	(230,166)
Funds provided from operations .....	<u>1,016,200</u>	<u>1,883,952</u>
 FUNDS APPLIED:		
Development and pre-production expenses .....	167,189	—
Additions to fixed assets .....	136,193	630,314
Dividends paid .....	499,000	1,247,500
	<u>802,382</u>	<u>1,877,814</u>
INCREASE IN WORKING CAPITAL FOR THE YEAR .....	213,818	6,138
WORKING CAPITAL AT BEGINNING OF THE YEAR .....	4,492,140	4,486,002
WORKING CAPITAL AT END OF THE YEAR .....	<u>\$4,705,958</u>	<u>\$4,492,140</u>

The accompanying notes are an integral part of the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 1972**

- |   |   |
|---|---|
| <p><b>1. Depreciation and Amortization</b><br/>It is the company's practice to provide for depreciation of buildings, plant and equipment at 15% per annum on a straight-line basis.</p> <p>Development and pre-production expenses are being amortized over the estimated life of the mine on the basis of units sold.</p> | <p><b>3. Sales Disclosure</b><br/>Pursuant to Section 173 of The Business Corporations Act, Ontario, an order was obtained from the Ontario Securities Commission permitting the company to omit disclosure of sales in the statement of loss and retained earnings for the year ended December 31, 1972.</p> |
| <p><b>2. Conversion of U.S. Dollars</b><br/>At December 31, 1972, accounts receivable due in U.S. dollars have been converted to Canadian dollars at par.</p>   | <p><b>4. Remuneration of Directors and Senior Officers</b><br/>Remuneration of directors and senior officers, as defined by The Business Corporations Act, Ontario, amounted to \$146,100 for the year ended December 31, 1972 (1971 — \$117,500).</p>  |





## MINING CORPORATION LIMITED

### *Report of the General Manager*

The President and Directors,  
Canada Tungsten Mining Corporation Limited.

Dear Sirs:

The following is a report covering the 1972 operation of the Mine at Tungsten, N.W.T., and the Leach Plant in North Vancouver.

Continuous production of high quality scheelite concentrates was maintained throughout the year.

#### **CONCENTRATOR**

A total of 172,828 tons of ore, containing 1.15%  $WO_3$  and 0.143% Cu were processed. Total production amounted to 158,706 short ton units of  $WO_3$  and 225,125 lbs. of copper.

The concentrator operated at 92.53% of possible time treating an average of 472 dry tons per day.

Overall recoveries of  $WO_3$  averaged 79.83%.

Recovery results for the first six months proved the installation of additional equipment during 1971 was beneficial. The introduction of this year's newly mined ore, which was of a higher chert ratio and therefore more refractory, caused metallurgical problems. Recent circuit changes have brought some improvement, but the chert ore continues to be difficult to treat.

Containerizing and stockpiling of copper concentrates continued throughout the year.

#### **MINING**

During the mining season a total of 203,551 tons of ore were mined, crushed and stockpiled, containing an average of 1.05%  $WO_3$ . In addition, 297,240 tons of waste were removed from the pit area.

Apart from an improved method of stockpiling and blending there were no significant changes in the mining practices during the year.

#### **ORE RESERVES**

At December 31, 1972, estimated reserves of skarn type ore in place amounted to 240,000 tons calculated to grade 1.65%  $WO_3$ , containing approximately 390,700 S.T.U.'s. The stockpile contains 157,600 tons of ore calculated to grade 1.06%  $WO_3$  per ton containing 166,200 S.T.U.'s.

#### **PERSONNEL AND CAMP OPERATION**

Availability of skilled personnel continued good with a normal turnover.

Negotiations for a new two-year collective bargaining agreement started during October, with settlement being reached in February, 1973.

Mr. John Keily, Mine Manager, resigned in June and was replaced by Mr. John K. Kervin, P.Eng., and former Assistant Manager. Mr. J. Morris, B.Sc. Mining, joined our staff in August as Assistant Manager.

#### **EXPLORATION AND ADIT**

An accelerated drilling program to investigate the new mineralized zone located at the end of the 1971 season was sufficiently encouraging to warrant the driving of a production size adit adjacent to the present plant facilities.

By year-end total advancement was 437 feet. As the adit progresses, drilling at intervals will delineate the ore body. Further underground development will be required to establish mining methods. Additional plant facilities will be required prior to the commencement of underground mining operations.

#### **LEACH PLANT OPERATION**

The Vancouver Leach Plant operated continuously on a five day per week schedule.

Overall recovery remained good at 97.10% with no significant changes in the operation to report.

I would like to express my thanks and appreciation to Mr. Kervin, Resident Manager, and his staff for their co-operation and commendable performance during the year.

Yours very truly,

E. H. HODDINOTT,  
General Manager.

North Vancouver, B.C.,  
March 9, 1973.









in France, had shut down. King Island scheelite in Australia had deferred their expansion program and Beralt Tin & Wolfram had had to arrange some bank borrowings in order to continue operations. He also reported that Canada Tungsten's old low price contracts were completed and sales were now based on spot prices.

In reply to a number of questions, the President informed the Meeting that the present ore reserves in the pit were estimated to maintain the life of the operation for 5 years; that the Company had a substantial program ahead this season with the work on the claims in British Columbia but other than this, the outside exploration program would be nominal; the deep drilling on the new zone on which three drills are scheduled in order to obtain the information as soon as possible on which to base a decision on the possibility of driving an exploratory adit.

### UNAUDITED EARNINGS STATEMENT

	First Quarter 1972	First Quarter 1971
Income from operations before the undernoted .....	\$ 457,658	\$1,058,964
Less: Depreciation .....	221,407	206,880
Amortization of devel- opment and pre-pro- duction expenses ...	83,022	93,233
Exploration expenses .	6,740	28,117
	<u>311,169</u>	<u>328,230</u>
Net Income before taxes ....	146,489	730,734
Income tax provision .....	52,600	260,000
Net Income .....	<u>93,889</u>	<u>470,734</u>
Per share net earnings before taxes .....	2.9 cents	15 cents
Per share net earnings after tax provision .....	1.9 cents	9.4 cents

## REVIEW

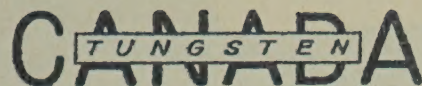
*of the*

ANNUAL MEETING  
TORONTO, THURSDAY, APRIL 27, 1972

*and*

INTERIM REPORT  
FOR QUARTER ENDED MARCH 31, 1972





## TO THE SHAREHOLDERS:

Shareholders who were unable to attend the recent Annual Meeting of the Company may appreciate this brief review which provides the text of comments made at the Meeting by the President.

Also included are results for the first quarter of 1972, the current fiscal year, together with comparative figures for the first quarter of 1971.

At the Meeting the Company's auditors, Deloitte, Haskins & Sells, Chartered Accountants, were re-appointed.

Directors re-elected were: J. B. Aird, J. M. R. Corbet, F. E. Hall (President), E. B. Gillanders, J. B. Redpath (Vice-President), H. A. Sawyer, Jr., and P. Gousseland.

On behalf of the Board,

FRED E. HALL,  
President.

Toronto, Ont.,  
May 11, 1972.

## *Address to the Shareholders*

by

F. E. HALL, President

On behalf of the Directors, it is a pleasure to welcome you to this the 12th Annual Meeting of the Shareholders of this Company.

The Annual Report of the Company was mailed to all of the registered Shareholders and I do not propose to make any comments on it.

1971 was not a good year for Canadian mining companies. On reviewing many of the Annual Reports, they have all given the same reasons . . . declining markets, higher operating costs and lower metal prices. Canada Tungsten was no exception and like most other companies, reported a net earning approximately  $\frac{1}{2}$  of the previous year.

All mining companies in Canada are being faced with additional costs for environment and ecology. Those operating in the Yukon and Northwest Territories are being required to take out Water Use and Land Use permits, in addition to the Mining Lease rental of 25¢ per acre and the royalty of 3-5%; the Land Use permit rental will amount to \$8.00 per acre.

I have the results of the 1st Quarter of 1972. These results are substantially below the 1st Quarter results of 1971. It is too early to try and predict the balance of the year. Consumers have been reluctant to make contracts for 1972 because of the economic situation in Europe, the U.S.A. and Japan. Demand shows signs of improvement but this has not been followed by a price improvement yet.

Metal Traders, one of the larger metal trading firms in the free world, recently went into bankruptcy. This company carried large inventories

of various metals and ores, among which was Tungsten ore. They had a position of approximately 5,000 tons of contained Tungsten. It was uncertain for some time what action the banks were going to take and of course this had a depressing effect on the market. The banks decided to liquidate and the major portion was purchased by a subsidiary of American Metal Climax. This of course indicates that Company's opinion for the future for Tungsten.

Your Company has built up a strong working capital position of approximately \$5M. This is adequate to allow the Company to continue regular scheduled production regardless of short term fluctuations of demand for its product.

The modification to the mill circuit has improved recovery. The recovery at the mine for the 1st Quarter of 1971 on a grade of 1.40% ore was 74.4%. The 1st Quarter of 1972 on a grade of 1.18% ore and a greater proportion of chert to skarn ore was 82.6% recovery. Tonnage milled in the 1st Quarter, due to the extreme weather and the tuning of the new circuit, was below budget but is showing a steady improvement now so that it should average 500 t.p.d. for the year.

An exploration program, consisting of geological mapping and surface prospecting, is planned to locate the source of the Tungsten mineralization located in the 1971 season on claims staked in British Columbia.

At the mine, drilling will continue early in June to further investigate the scheelite bearing zone located at the end of the season in 1971. This drilling is required before any decision can be made for underground investigation.

During the question period following the formalities of the Meeting, Mr. Ho, in charge of Tungsten sales for American Metal Climax, reported that Ranchers Exploration, who were producing in the order of 1,000,000 lbs. per year and the new mine



**CANADA TUNGSTEN MINING  
CORPORATION LIMITED**

**STATEMENT OF SOURCE AND  
APPLICATION OF FUNDS**

For the six months ended June 30, 1972  
(With 1971 figures for comparison)

SOURCE OF FUNDS	1972	1971
Funds provided from operations:		
Net income for the period	\$ 131,441	\$ 695,233
Decrease in deferred income taxes	(60,000)	(34,000)
Depreciation and amortization	612,071	613,097
Increase in inventory of supplies	(4,416)	(111,615)
Decrease in deferred income	—	(230,166)
Increase in deferred mining expense	(72,568)	—
Other items	9,188	(18,904)
Total funds provided	615,716	913,645
APPLICATION OF FUNDS		
Dividends paid	249,500	998,000
Additions to fixed assets	13,207	148,862
	262,707	1,146,862
INCREASE (DECREASE) IN WORKING CAPITAL	\$ 353,009	\$ (233,217)
Working capital beginning of period	\$4,492,140	\$4,486,002
Working capital end of period	\$4,845,149	\$4,252,785

**STATEMENT OF INCOME**

For the six months ended June 30, 1972  
(With 1971 figures for comparison)

	1972	1971
Income from operation before write-offs	\$ 934,239	\$1,868,991
Depreciation	443,189	416,763
Amortization of preproduction expense	168,882	196,334
Exploration expense	110,927	155,411
Provision for taxes	79,800	405,250
	802,798	1,173,758
Net income for the period	\$ 131,441	\$ 695,233
Net income per share	2.6¢	13.9¢

**AR79**

**CANADA**  
TUNGSTEN

**MINING CORPORATION LIMITED**

**Interim Report**

For Six Months Ended

**JUNE 30, 1972**



# CANADA TUNGSTEN MINING CORPORATION LIMITED

## TO THE SHAREHOLDERS:

### Earnings

The unaudited earnings for the six months ended June 30, 1972 amounted to \$131,441 or 2.6¢ per share compared to \$695,233 or 13.9¢ per share for the same period last year, and earnings for the last half of 1971 of \$239,265 or 4.8¢ per share.

Tonnage of concentrates sold was 14% below that sold during the first half of 1971. In addition, lower prices and higher operating costs and the discount on U.S. exchange all had an effect on the six months' profit.

### Milling Operations

#### PRODUCTION STATISTICS FOR THE SIX MONTHS ENDED JUNE 30, 1972

	1972	1971
Tons milled .....	86,869	94,796
Grade WO <sub>3</sub> .....	1.23%	1.31%
Grade Cu .....	.16%	.23%
Short ton units WO <sub>3</sub> produced ..	87,952	92,888
Pounds Cu produced .....	141,952	181,013
Average recovery WO <sub>3</sub> .....	82.00%	75.10%
Average recovery Cu .....	50.32%	58.51%

The modifications to the milling facilities at the mine have shown a 7% improvement in recovery over last year, even though the blend of ore was 3 chert to 1 skarn whereas in 1971, it was 2 chert to 1 skarn. The leaching facilities in Vancouver continue at an efficiency of 96% recovery.

### Exploration


The current diamond drill program, to investigate the mineralization located last year in the vicinity of the Mine, has been encouraging. Diamond Drill Hole No. 72-3 intersected 34 feet of mineralization containing 3.34% WO<sub>3</sub>. This Diamond Drill Hole

is located 370 feet west of the Discovery Hole known as Hole No. 71-18. Diamond Drill Hole No. 72-4 located 270 feet east of the Discovery Hole intersected 15½ feet of mineralization, containing 1.30% WO<sub>3</sub>. Diamond Drill Hole No. 72-6 located 570 feet east of Hole No. 72-4 intersected two zones, the first being 6 feet averaging 0.75% WO<sub>3</sub>; the second 70 feet below returned 8 feet averaging 1.30% WO<sub>3</sub>. Diamond Drill Hole No. 72-7 located 120 feet north of Hole No. 72-6 intersected 20.5 feet averaging 1.11% WO<sub>3</sub>. Further diamond drilling is continuing with a view to determining the eastward extension. The western extremity is still unknown. It is expected that a contract to drive an adit will be let in September. Further underground drilling will be required before the feasibility of mining the deep ore can be determined.

### General

As reported in the Summary of the Annual Meeting dated May 11, 1972, Metal Traders Straus Ltd. of London, England, one of the largest metal trading firms in the world, went into bankruptcy. This company had a large inventory of tungsten concentrates. The banks decided to liquidate the majority of this inventory and it was purchased by a subsidiary of American Metal Climax with your Company having a small participation.

Your Company continues to build a strong working capital position which is adequate to provide the funds for the expenditures required to investigate the new ore zone.



FRED E. HALL,  
President.

August 18, 1972.